

But I would not be telling the truth if I said I lacked any concerns about the potential impact of our ambition over time. Mr. Chairman, I do want to thank you and Ranking Member BACHUS for your diligent work in the Manager's Amendment to address one such concern I raised during the Financial Services Committee markup of the bill, namely, the extent to which the assignee liability and remedies this bill creates should preempt State law. We want to make sure that consumers are protected to the greatest extent possible—and, historically, many of these protections have been initiated by States, especially in the subprime market. But we also don't want to shut down the secondary mortgage market that has critical to expanding homeownership nationally.

I appreciate the effort that the Manager's Amendment makes to better strike this delicate balance. The Manager's Amendment now clarifies that the bill does not preempt state laws such as fraud and civil rights statutes. In particular, I appreciate that the Manager's Amendment makes crystal clear that securitizers will be held to account when they directly participate in a fraud—as in the egregious First Alliance case I mentioned at Committee markup. However, attorneys who have been working on predatory lending issues in my district and State for decades, continue to be concerned that the legal meaning of this provision is unclear. As such, federal courts may impart this meaning in ways that roll back important consumer remedies under State law.

This, in turn, raises the question of whether we have yet reached the right balance of Federal rights and remedies in the bill, given that we may be displacing a lot of State and private activity in this financial sector. Certainly, national organizations representing consumers remain concerned about this, and many have declined to endorse the bill. As you have noted, Mr. Chairman, that industry groups seem equally ambivalent about the bill suggests that perhaps we are approaching the proper “unhappiness quotient” among the stakeholders. As this bill moves to the Senate and to conference, though, I urge that continue to take seriously and re-examine issues surrounding preemption and strength of remedies.

To conclude, however, I want to be clear that I believe this groundbreaking bill should be passed today. Accordingly, I urge my colleagues to vote for H.R. 3915. Thank you again, Mr. Chairman, for all of your work on this bill.

Mr. JOHNSON of Georgia. Mr. Chairman, I rise today in support of Representative WATT's amendment as a way to strengthen the enforcement provisions of this mortgage bill. Subprime lending has devastated communities throughout Atlanta and my district. Thirty-five percent of all loans made to my constituents are subprime loans—that's much higher than the national average of twenty-eight percent. Seventeen percent of those loans result in foreclosure, which means, in DeKalb County, nearly 1,000 families enter foreclosure each month. In my entire district, it means my constituents who don't lose their homes will still lose nearly \$200 million in home equity as foreclosures decrease the values of surrounding homes. Unfortunately, all indicators point to foreclosures continuing to rise well into 2008. These foreclosures have a devastating effect on the families in my district

who work hard to buy a house. And they aren't just the result of a downturn in the housing market or because people don't pay their bills on time. No, my constituents have been victims of widespread mortgage fraud and predatory lending. Chairman FRANK's bill takes a step in the right direction toward helping my constituents. And this amendment and the others submitted by Representatives WATT and MILLER will help to make this bill stronger so that Americans are protected from lenders and brokers who prey on low-income and minority populations. With stronger enforcement mechanisms, this bill will help my constituents keep their hard-earned roofs over their heads. I urge my colleagues to support Mr. WATT's and Mr. MILLER's amendments and Chairman FRANK's bill and put a stop to predatory lending.

Mr. HALL of New York. Mr. Chairman, today, during the consideration of H.R. 3915, the Mortgage Reform and Anti-Predatory Lending Act of 2007 I voted against the Motion to Recommit forthwith. If passed, that motion would have required anyone seeking to get a residential mortgage loan to produce one of four forms of identification prior to approval: a Social Security card and picture ID, a Real ID drivers license, a U.S. or foreign passport or an ID card issued by the Department of Homeland Security.

I am opposed to giving illegal immigrants access to mortgages. However, the language contained in the Motion to Recommit forthwith would not only have failed to meet the goal of denying mortgages to illegal immigrants, but it could have actually made it more difficult for legal citizens of New York and other states to obtain these same housing funds. The motion could have made it more difficult for people from states that have not yet adopted Real ID standards or do not have ready access to other documentation to qualify. However, any illegal immigrant with a passport from their native country would have no difficulty in using that passport to get a mortgage. That is not the kind of requirement we want or need.

I believe it is important that Americans have the opportunity to qualify for mortgages. Owning one's home is a vital part of the American dream. I cannot and will not support legislation that will make it more difficult for citizens and legal immigrants to get mortgages, and easier for illegal immigrants to do so. This motion would have done just that, and as a result I could not support it.

Mr. LANGEVIN. Mr. Chairman, I rise in support of the Mortgage Reform and Anti-Predatory Lending Act, which will bring greater transparency to lending practices nationwide. The housing market is under significant stress, and many families cannot keep pace with ballooning mortgage payments.

Unconventional mortgages have left countless Americans facing foreclosure. Unless we act soon, millions more may lose their homes. With this bill, we combat unscrupulous lending practices and bring transparency to the process by requiring mortgage originators to be licensed and mandating full disclosure of loan terms. Perhaps most importantly, mortgage originators must certify that consumers have a reasonable ability to pay back loans and that they are not predatory in nature. We have seen too many lenders steer consumers into loans they cannot afford.

This measure will address persistent problems in the housing market and bring financial

stability to families. I thank Chairman FRANK for his leadership, and I urge support for the bill.

Mr. UDALL of Colorado. Mr. Chairman, I rise in support of the “Mortgage Reform and Anti-Predatory Lending Act of 2007.” Homeowners in Colorado and nationwide continue to face an impending crisis. Millions of borrowers have found themselves with unmanageable loans that not only threaten the financial security of their families and communities, but also undermine the Nation's economy as a whole. Passage of this bill will address irresponsible business practices in the mortgage industry that have played a part in creating this situation.

There are grave problems in the housing market. Foreclosure rates are rising, housing prices are stagnating and too many Americans are overwhelmed by the rise in their monthly payments. And housing is not the only sector of the economy that has been affected by the tremors whose epicenter is located within the financial institutions involved in mortgage funding.

This bill responds to problems that have come to light as those tremors have spread. Its main benefit may be to reduce the likelihood of similar shocks in the future, by reforming mortgage lending practices to soften the impact of rising defaults and foreclosures, especially in the subprime market.

The bill establishes a Federal duty of care for mortgage originators. It prohibits steering consumers to mortgages with predatory characteristics and other abusive practices in the subprime mortgage market, and establishes a licensing and registration system for loan originators. It also expands and enhances consumer protections for “high-cost loans” under the Home Ownership and Equity Protection Act; requires additional disclosures to consumers, and includes protections for renters of foreclosed properties.

I am particularly pleased that this legislation establishes an Office of Housing Counseling within the Department of Housing and Urban Development (HUD). This provision will provide financial and technical assistance to States, local governments, and nonprofit organizations to establish and operate consumer education programs. These programs will both enhance the consumer's financial literacy and also provide people with better information about mortgage and refinancing opportunities.

I do have some concerns about the bill, particularly regarding the extent to which its preemption provisions could interfere with implementation of State laws regarding loan liability. Fortunately, this risk has been reduced through adoption of an amendment to narrow the preemptive effect of the bill. It is my hope that these provisions can be further reformed in the Senate and conference committee before the bill is sent to the President.

I am also concerned about the possible effects of an amendment offered on the House floor that could have created a major new liability for mortgage originators, assignees, and securitizers by establishing a “pattern and practice” violation with penalties of not less than \$25,000 per loan and \$1 million for the violation itself. As I understand it, the amendment would characterize as a “pattern or practice” as few as two loans, which might mean that a lender who has acted in good faith in making a loan may be found to have violated this very subjective standard—with massive liability. I found persuasive the argument that